

Whitley County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Whitley County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Whitley County has two cross-county units. Whitley is the major county for Smith-Green Schools, which crosses with Noble County. Whitley is the minor county for Whitco Community Schools, which crosses into Kosciusko County (the major county). Only the Whitley County portion of cross county units is included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$2.9 million, or 8.94%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increases in levy were due to the Whitley County Consolidated School Corp (\$1,997,426) and the County unit (\$565,225).

Whitley County

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|-----------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Lease Rental Payments | \$215,558 | \$484,277 | \$268,719 | 124.66% |
| Community Services | 13,379 | 18,626 | 5,247 | 39.22% |
| Health | 130,821 | 212,647 | 81,826 | 62.55% |

Whitley County Welfare

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|-------------------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Welfare - Family and Children | \$214,071 | \$370,968 | \$156,897 | 73.29% |

Total County levy increased by \$565,225 or 11.22%. Lease Rental Payment fund used significant cash balances to make payments in 2007. Levy re-established for 2008.

Richland Township

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|--------------------|------------------------------------|------------------------------------|------------------|---------------------|
| General | \$11,225 | \$21,740 | \$10,515 | 93.67% |
| Community Building | 6,343 | 7,642 | 1,299 | 20.48% |
| Recreation | 1,805 | 2,893 | 1,088 | 60.28% |

Total Township levy increased by \$14,164 or 27.40%.

Thorncreek Township

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|---------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Fire Equipment Debt | \$-0- | \$104,866 | \$104,866 | -% |

Total School levy increase of \$111,063 or 84.66%. Township received an emergency fire loan in 2007.

Washington Township

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|--------------------|------------------------------------|------------------------------------|------------------|---------------------|
| Fire Building Debt | \$18,817 | \$5,202 | -\$13,615 | -72.35% |

Total School levy decrease of \$11,984 or 14.33%.

Whitley County Consolidated School Corp

| <u>Fund</u> | <u>Pay 2007 Certified Levy</u> | <u>Pay 2008 Certified Levy</u> | <u>\$ Change</u> | <u>% Change</u> |
|------------------|------------------------------------|------------------------------------|------------------|---------------------|
| General | \$8,235,813 | \$8,794,462 | \$558,649 | 6.78% |
| Capital Projects | 2,775,529 | 3,317,885 | 542,356 | 19.51% |
| Bus Replacement | -0- | 570,663 | 570,663 | -% |

Total School levy increase of \$1,997,426 or 12.05%. In 2007, Bus Replacement levy eliminated and Capital Projects was reduced due to pension neutralization.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

| <u>Class</u> | <u>% Increase</u> |
|--------------|-------------------|
| Agriculture | 9.81% |
| Industrial | 5.48% |
| Commercial | -1.34% |
| Residential | 3.12% |
| Exempt | -51.68% |
| Utility | -13.94% |

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

| <u>Class</u> | <u>2007 Ratio</u> | <u>2008 Ratio</u> |
|--------------|-------------------|-------------------|
| Agriculture | 16.74% | 18.22% |
| Industrial | 6.82% | 7.13% |
| Commercial | 6.68% | 6.53% |
| Residential | 63.85% | 65.25% |
| Exempt | 5.81% | 2.78% |
| Utility | 0.09% | 0.08% |

As can be seen from the analysis, a shift from commercial and exempt property to agricultural, industrial, and residential property occurred. This shift was approximately 3.18%, with agriculture receiving 1.40% of the amount.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

| <u>District</u> | <u>Change in NAV</u> | <u>Change in Levy</u> | <u>Change in Gross Tax Rate</u> | <u>Change in Business Personal Property Net Tax Rate</u> | <u>Change in Real Estate and Other Personal Property Net Tax Rate</u> | <u>Change in Homestead Net Tax Rate</u> |
|------------------------------|----------------------|-----------------------|---------------------------------|--|---|---|
| CLEVELAND TOWNSHIP | 4.58% | 2.09% | -2.38% | -0.87% | -0.40% | -11.15% |
| SOUTH WHITLEY TOWN | 2.33% | 0.71% | -1.59% | -0.28% | 0.66% | -13.19% |
| COLUMBIA TOWNSHIP | 4.82% | 11.58% | 6.45% | 9.90% | 11.39% | -1.00% |
| COLUMBIA CITY | 2.53% | 7.47% | 4.82% | 7.00% | 8.70% | -4.96% |
| ETNA TROY TOWNSHIP | 7.65% | 14.92% | 6.76% | 10.61% | 12.09% | -0.34% |
| JEFFERSON TOWNSHIP | 1.70% | 8.64% | 6.83% | 10.66% | 12.08% | -0.25% |
| RICHLAND TOWNSHIP | 5.87% | 4.00% | -1.77% | -0.10% | 0.38% | -10.23% |
| LARWILL TOWN | -2.05% | -2.02% | 0.04% | 1.89% | 2.68% | -10.62% |
| SMITH TOWNSHIP | 5.40% | 7.22% | 1.73% | 4.15% | 5.13% | -8.81% |
| CHURUBUSCO TOWN | -2.64% | 0.20% | 2.92% | 4.79% | 6.51% | -12.29% |
| THORNCREEK TOWNSHIP | 4.92% | 13.91% | 8.58% | 12.61% | 14.39% | 2.42% |
| UNION TOWNSHIP | 6.30% | 13.26% | 6.54% | 10.33% | 11.67% | -0.48% |
| WASHINGTON TOWNSHIP | 9.45% | 15.14% | 5.20% | 8.46% | 9.73% | -2.59% |
| COLUMBIA CITY/UNION TOWNSHIP | 10.25% | 15.56% | 4.82% | 5.77% | 8.71% | -4.92% |
| Average | 4.41% | 8.94% | 3.25% | 5.57% | 6.92% | -6.12% |

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially debt levies, which don't qualify for PTRC or Homestead credits.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

| Property Class | Percent of Parcels with Identified Assessed Valuation Change | | | | | |
|----------------|--|------------------|-------------------------|--------------------------|---------------------------|--------------------------|
| | <u>Decrease</u> | <u>No Change</u> | <u>0 – 10% Increase</u> | <u>10 – 30% Increase</u> | <u>30 – 100% Increase</u> | <u>More Than Doubled</u> |
| Commercial | 27.2% | 38.0% | 16.7% | 10.7% | 6.3% | 1.1% |
| Industrial | 20.5% | 40.2% | 20.5% | 15.7% | 2.4% | 0.8% |
| Residential | 28.3% | 24.7% | 41.2% | 2.8% | 1.4% | 1.6% |
| Agricultural | 5.6% | 1.3% | 27.8% | 59.1% | 6.1% | 0.1% |
| Exempt | 3.1% | 85.7% | 4.8% | 3.6% | 2.0% | 0.8% |
| Utility | 0.0% | 96.3% | 1.3% | 2.5% | 0.0% | 0.0% |
| Overall | 22.6% | 23.1% | 35.9% | 14.7% | 2.5% | 1.2% |

TIF Neutralization Worksheets

The County has Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were not reviewed for numerical accuracy but for logical analysis and completeness.